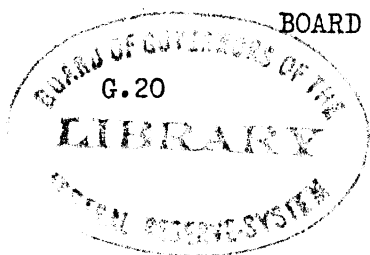


Wes. Postles



BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

March 7, 1961

SALES FINANCE COMPANIES

JANUARY 1961

Retail passenger car instalment paper held by sales finance companies declined \$140 million in January to \$7,555 million. Holdings declined \$23 million and \$13 million in the corresponding month of 1960 and 1959 respectively. Other consumer goods paper increased \$38 million. Total consumer instalment paper at sales finance companies at the end of January was \$862 million higher than a year ago, of which \$490 million was accounted for by other consumer goods paper.

Credit extended in January by sales finance companies for the purchase of passenger automobiles declined \$73 million from the previous month. On a seasonally adjusted basis, extensions were at the lowest level since 1958. The number of new car contracts acquired was 19 thousand fewer than a year ago and the number of used car contracts was 31 thousand fewer.

Business credit outstanding declined \$18 million in January as a slight rise in automobile floor plan loans was more than offset by declines in other types of business credit.

Outstanding Credit Held by Sales Finance Companies
(In millions of dollars)

Type of credit	Jan. 31, 1961	Increase or decrease during:		
		Jan. 1961	Jan. 1960	Year ended January 31, 1961
Consumer instalment credit	<u>11,030</u>	<u>-104</u>	<u>+ 23</u>	<u>+862</u>
Retail automotive (passenger cars)	7,555	-140	- 23	+250
Other consumer goods paper	2,412	+ 38	+ 39	+490
Repair and modernization loans	64	0	+ 1	+ 28
Personal loans	999	- 2	+ 6	+ 94
Business credit ^{1/}	<u>3,814</u>	<u>- 18</u>	<u>+337</u>	<u>+538</u>
Retail automotive (commercial vehicles)	574	- 15	- 7	- 2
Wholesale automotive	1,838	+ 6	+319	+313
Wholesale other than automotive	129	- 1	0	- 15
Other business credit	1,273	- 8	+ 25	+242

^{1/} Excludes some credit extended to business, such as that extended by factoring subsidiaries.

Credit Extended by Sales Finance Companies
(In millions of dollars)

Type of credit	Jan. 1961	Change from:	
		Month ago	Year ago
Consumer instalment credit	737	-128	- 65
Retail automotive (passenger cars)	415	- 73	- 97
New	240	- 69	- 52
Used	175	- 4	- 45
Other consumer goods paper	214	- 5	+ 31
Repair and modernization loans	3	- 1	0
Personal loans	105	- 49	+ 1
Business credit <u>1/</u>	1,158	-205	-291
Retail automotive (commercial vehicles)	39	- 5	- 3
New	28	- 5	- 2
Used	11	0	- 1
Wholesale automotive paper	899	-224	-341
New (passenger and commercial)	836	-213	-330
Used (passenger and commercial)	63	- 11	- 11
Wholesale other than automotive	38	- 3	0
Other business credit <u>1/</u>	182	+ 27	+ 53

1/ Excludes some credit extended to business, such as that extended by factoring subsidiaries.

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Number of Motor Vehicles Financed by Sales Finance Companies
(In thousands)

Type of vehicle	Jan. 1961	Change from:	
		Month ago	Year ago
Total financed by retail	<u>272</u>	<u>-37</u>	<u>- 52</u>
New passenger	93	-26	- 19
Used passenger	160	-10	- 31
New commercial	10	- 2	- 1
Used commercial	9	+ 1	- 1
Total financed at wholesale	<u>397</u>	<u>-94</u>	<u>-146</u>
New (passenger and commercial)	334	-84	-140
Used (passenger and commercial)	63	-10	- 6

Credit Sales of New Passenger Cars as a Per Cent
of Total Number Sold at Retail ^{1/}

Credit Sales	Per Cent
1961 - January	61
1960 - December	56
January	53

^{1/} Based on new car instalment contracts acquired by banks, sales finance companies, other financial institutions, and automobile dealers. Data for prior months may be obtained by writing to the Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington 25, D. C.